

[Unapproved and Subject to Change]
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

January 15, 2009

Call To Order: Chairman Ross Johnson called the meeting to order at 10:00 a.m., at 428 J Street, Eighth Floor, Sacramento, California and advised that Commissioner Huguenin had an out-of-state conflict and was unable to attend the meeting. Chairman Johnson, Commissioners Tim Hodson, Bob Leidigh, and Ray Remy were present. Commissioner Gene Huguenin was absent.

- 1. Public Comment.** This portion of the meeting is reserved for comments on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

There were none.

CONSENT CALENDAR - ITEMS 2 THROUGH 13

Chairman Johnson asked if the Commissioners had questions or comments, or wanted any items removed from the consent calendar.

Commissioner Leidigh asked that Item 2 of the Agenda be removed from the consent calendar for a minor correction of Item 19, Legislative Report, of the December 11, 2008, Minutes. Roman Porter, Executive Director, confirmed the correction would be made. With the correction, Commissioner Leidigh returned Item 2 to the consent calendar.

The Chairman asked if there were any comments from the audience regarding items on the consent calendar. There were none.

Moved by Commissioner Leidigh and seconded by Commissioner Remy to approve all items on the consent calendar.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

- 2. Approval of December 11, 2008, Commission meeting Minutes.**
- 3. In the Matter of Citizens for Better Government and Michael Lewis, FPPC No. 03/133.** (5 counts) Total Monetary Penalty: **\$12,000.**
- 4. In the Matter of City of Yuba City and Rory Ramirez, FPPC No. 08/510.** (2 counts) Total Monetary Penalty: **\$6,000.**

5. **Failure to Timely File Major Donor Campaign Statements.** Staff: Chief Investigator Sue Straine and Political Reform Consultant Teri Rindahl. The following entities have entered into a stipulation for failing to timely file major donor campaign statement(s) in violation of Government Code Section 84200:
- a. **In the Matter of the Foundation for Reed Schools, FPPC No. 08/139.**
(1 count) Total Monetary Penalty: **\$400.**
 - b. **In the Matter of Mark Bertone/Madole & Associates, FPPC No. 08/551.**
(4 counts) Total Monetary Penalty: **\$1,600.**
6. **In the Matter of Manuel Porto, FPPC No. 07/096.** (1 count) Total Monetary Penalty: **\$100.**
7. **In the Matter of Darlene Jochim, FPPC No. 07/363.** (1 count) Total Monetary Penalty: **\$400.**
8. **In the Matter of Robert Watrous, FPPC No. 07/760.** (1 count) Total Monetary Penalty: **\$400.**
9. **In the Matter of T.R. Hathaway, FPPC No. 08/308.** (1 count) Total Monetary Penalty: **\$400.**
10. **In the Matter of Peter Manzo, FPPC No. 08/428.** (1 count) Total Monetary Penalty: **\$200.**
11. **In the Matter of Fred Naranjo, FPPC No. 08/688.** (1 count) Total Monetary Penalty: **\$200.**
12. **In the Matter of Sam Turner, FPPC No. 08/704.** (1 count) Total Monetary Penalty: **\$200.**
13. **In the Matter of Paul Mugan, FPPC No. 08/752.** (1 count) Total Monetary Penalty: **\$200.**

GENERAL ITEMS 14 THROUGH 19

14. **Adoption of Amendments to Regulations 18402 and 18450.3 – Committee Names; Advertisement Disclosure.** Staff: Senior Commission Counsel Hyla Wagner and General Counsel Scott Hallabrin. The amendments to Regulation 18402 add the candidate's name, office sought, and year of the election to certain committee names. For a primarily formed ballot measure committee, the amendments to Regulation 18450.3 require that the committee name list the economic or other special interest of the top donors *in descending order* based on the amount contributed by the donor.

Chairman Johnson asked if anyone in the audience had comments regarding this item. Tony Miller, Chief, Political Reform Division, Secretary of State's office, advised the Commission that section (c)(5) of the proposed regulation would cause a problem for a committee that filed campaign reports electronically with the Secretary of State because the Secretary of State's electronic campaign report does not allow a committee name to include the committee identification number in the "committee name" field, and asked that the Commission not approve the regulation with section (c)(5) included.

Moved by Chairman Johnson and seconded by Commissioner Leidigh to amend Regulation 18402 with the deletion of section (c)(5), and with the understanding that Mr. Miller and Commission staff would work together on the issue of the committee names and identification numbers for tracking purposes.

The Chairman asked if there were any further comments from the audience. There were none.

Moved by Commissioner Remy and seconded by Commissioner Hodson to adopt Regulation 18402 as amended.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

Chairman Johnson asked if the Commissioners had any questions or comments on the second part of this agenda item. There were none. He asked if anyone in the audience had comments. There were none.

Moved by Commissioner Remy and seconded by Commissioner Hodson to adopt Regulation 18450.3 as proposed by staff.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

15. Adoption of Regulation 18247.5 – Primarily Formed and General Purpose Committees. Staff: Senior Commission Counsel Hyla Wagner and General Counsel Scott Hallabrin. Regulation 18247.5 provides that a "general purpose committee" is a *state*, *county*, or *city* committee if the committee makes more than 50% of its contributions and expenditures on candidates or measures in that jurisdiction. Similarly, the regulation provides that a committee is "primarily formed" if the committee makes more than 70% of its contributions or expenditures on a single candidate or measure (or on measures or a group of local candidates being voted on in the same election).

Chairman Johnson asked if the Commissioners had comments. Commissioner Hodson had questions and comments regarding the \$50,000 threshold at page 2, line 3.

Moved by Commissioner Hodson and seconded by Commissioner Remy to amend Regulation 18247.5 at page 2, by deleting line 3 (section (b)(1)(A)(ii)). Chairman Johnson advised that this motion was only for the amendment at page 2, line 3, and not for adoption of the regulation.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

The Chairman asked if anyone in the audience had comments in favor or in opposition to this item. There were several speakers with comments regarding this regulation: Chuck Bell, of Bell McAndrews & Hiltachk; Lance Olson, of Olson Hagel & Fishburn; and Stephen Kaufman, of Kaufman Legal Group.

Commissioner Leidigh made a motion that Ms. Wagner revise the regulation with alternative language as discussed, and bring it back after further review of agenda items. Chairman Johnson directed Ms. Wagner to redraft the regulation with the proposed language and bring back sufficient copies for the Commission and interested persons in the audience for review at the conclusion of the remaining agenda items.

- 16. Adoption of Regulations 18521.5 and 18421.8, Amendment of Regulation 18401 – Ballot Measure Committees Controlled by Candidates for Elective State Office.** Staff: Senior Commission Counsel Lawrence T. Woodlock, Commission Counsel Brian G. Lau and General Counsel Scott Hallabrin. Staff proposed adoption of Regulation 18521.5, that requires ballot measure committees controlled by candidates for elective state office to identify on their Statements of Organization specified measures, or anticipated measures, the committee supports or opposes; provides guidelines governing committee naming conventions; and sets forth the permissible uses of committee funds. Additionally, staff proposed adoption of a companion rule, Regulation 18421.8, and a related revision to Regulation 18401, imposing additional disclosure and recordkeeping rules for expenditures of \$100 or more made by a general purpose ballot measure committee controlled by a candidate for elective state office.

Chairman Johnson asked if anyone in the audience had comments regarding this item. Liane Randolph, with Pillsbury Winthrop Shaw Pittman, spoke in opposition to this regulation. Stephen Kaufman, speaking on his own behalf, thanked Commission staff for working with the regulated community, getting their input, and revising a new version of the regulation reflecting their concerns.

Moved by Commissioner Hodson and seconded by Commissioner Leidigh to: (1) adopt Regulation 18521.5 as amended by deleting the words “nature and” at page 1, line 23, and deleting the word “state” at page 3, line 7; (2) adopt Regulation 18421.8 as amended by deleting the words “nature or” at page 1, line 8; and (3) adopt Regulation 18401 as amended by deleting the words “nature or” at page 5, line 3.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

- 17. Legislative Report.** Staff: Legislative Coordinator Tara Stock. As submitted.

- 18. Litigation Report.** Staff: General Counsel Scott Hallabrin. As submitted.

- 19. Executive Director’s Report.** Executive Director Roman Porter. As submitted.

Chairman Johnson advised that the Commission was returning to Agenda Item 15.
Ms. Wagner passed out revised copies of Regulation 18247.5 to the Commissioners and the audience.

Moved by Commissioner Remy and seconded by Commissioner Hodson to adopt Regulation 18247.5 as amended.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 4-0.

Chairman Johnson announced the passing of his long time friend, Bob Monagan, who had been the Speaker of the State Assembly for a brief time and is a legend in politics, and he wanted to adjourn the meeting in Mr. Monagan's memory.

The Chairman adjourned the meeting at 11:50 a.m.

Dated: January 27, 2009

Respectfully submitted,

Beth Manwaring
Commission Assistant

Approved: _____
Ross Johnson
Chairman